

Exhibit D-4

Invoicing and Bill Paying Procedures - Operating Phase

1.0 Non Regional Invoices.

Each Agency is responsible for processing and paying any invoices for the cost of goods and services that are procured under an individual Agency contract and which are not considered regionally shared ORCA Program Costs in the approved ORCA Budget.

2.0 Regionally Shared Invoices.

2.1 Each Agency will pay into the Central Payment Account its share of regionally shared invoices, and the ORCA Regional Program Administration Agency will issue a single payment on behalf of all the Agencies. The invoice processing and payment process described below will be used during the Operating Phase for payment of invoices for ORCA Program Costs that are included in the ORCA Budget as regionally shared costs and individual Agency costs due under the RFC Contract (e.g. equipment purchases and maintenance).

2.2 The invoice and payment process will pay all payees within thirty (30) calendar days of an approved invoice.

The Agencies will follow the schedule below for the review and approval process for all categories of invoices.

Day 1: Regional Program Administrator sends draft invoice to Agencies for preliminary review*

Day 2-7: Agencies submit approval of draft preliminary invoice

Day 8-10: Fiscal Agent submits final invoice to Agencies

Day 10 - 23: Agencies remit payment

Day 24 - 30: Fiscal Agent pays vendor

*Failure to raise an objection within seven (7) calendar days shall be deemed approval of preliminary invoice.

2.3 The review and approval processes for three types of payees are provided below and are subject to the review and payment schedule in 2.2:

2.3.1 Invoices submitted by the RFC Contractor:

- a. A preliminary invoice is submitted by the RFC Contractor to the ORCA Operations Manager.
- b. Within 2 days of receipt, the ORCA Operations Manager will forward the preliminary invoice to the Regional Program Administrator to distribute to all Agencies and Regional Service Providers.
- c. The Agencies and the Regional Service Providers shall review the preliminary invoice and inform the ORCA Operations Manager and the Agencies of any questions or objections.
- d. The ORCA Operations Manager will work with the Agencies to resolve any issues about the preliminary invoice during the preliminary review period. If not approved, the invoice is returned to the RFC Contractor for correction, and when re-submitted, the review and approval process under this section will be repeated.
- e. Upon the RFC Contractor submitting a revised invoice, the ORCA Operations Manager will review to confirm that all issues have been resolved and will forward a copy to the ORCA Regional Program Administrator.
- f. The Regional Program Administrator and Agencies shall follow Section 3 to approve and pay the invoice.

2.3.2 Invoices submitted by a Joint Consultant or other invoicing third party supplying regional shared goods or services.

The payment of commissions and reimbursement to retailers for costs of telephone and certain supplies for the TRU shall fall under this paragraph except that the "invoice" date shall be deemed the end of a calendar quarter.

- a. A preliminary invoice is submitted by the Joint Consultant or third party to the Agency contracting with the Joint Consultant or third party
- b. The Contracting Agency will verify the invoice against contract terms and dollar limits approved by the Joint Board then forward the preliminary invoice to the Regional Program Administrator to distribute to all Agencies and Regional Service Providers.

- c. The Agencies and the Regional Service Providers shall review the preliminary invoice and inform the Contracting Agency and all Agencies of any questions or objections.
- d. The Contracting Agency will work with the Agencies, Regional Service Providers and the Joint Consultant or third party to resolve any issues about the preliminary invoice during the preliminary review period. If not approved, the invoice is returned to the Joint Consultant or third party for correction. When the invoice is resubmitted, the review and approval process under this section will be repeated.
- e. Upon approval of the preliminary or revised invoice, the ORCA Operations Manager will review to confirm that all issues have been resolved then forward the revised invoice to the ORCA Regional Program Administrator who shall follow Section 3 below to pay the invoice.
- f. The Regional Program Administrator and Agencies shall follow Section 3 below to approve and pay the invoice.

2.3.3 Invoices from Regional Service Providers or Agencies Seeking Reimbursement. A Regional Service Provider or an Agency seeking reimbursement shall submit its preliminary invoice to the ORCA Regional Program Administrator on a quarterly basis by the end of the first month following the quarter.

- a. Upon receipt the Regional Service Provider or Agency seeking reimbursement will forward the preliminary invoice to the Regional Program Administrator to distribute the preliminary invoice to all Agencies and Regional Service Providers.
- b. The ORCA Regional Program Administration Agency and the Agencies shall review the preliminary invoice and inform the ORCA Regional Program Administrator of any questions or objections.
- c. The ORCA Regional Program Administrator will work with the Agencies and Regional Service Provider or Agency seeking reimbursement to resolve any issues about the preliminary invoice during the preliminary review period. If not approved, the invoice is returned to the Regional Service Provider or Agency seeking reimbursement for correction. When the invoice is resubmitted, the review and approval process under this section will be repeated.

d. Upon approval of the preliminary or revised invoice, the Regional Service Provider or Agency seeking reimbursement will review to confirm that all issues have been resolved then forward the approved invoice to the ORCA Regional Program Administrator who shall follow Section 3 below to pay the invoice.

3.0 Procedure for Payment of Agency Shares

3.1 The ORCA Regional Program Administration Agency will pay invoices that have been approved under the procedures in Section 2. The ORCA Regional Program Administration Agency will verify approved invoices against the ORCA Operating Budget adopted by the Joint Board.

3.2 The Regional Program Administrator will issue each Agency an approved invoice for their share of the contracted service or good, with a payment due date which shall be fourteen (14) calendar days from the invoice date.

3.3 Each Agency remits its payment share to the ORCA Regional Program Administration Agency by initiating an electronic funds transfer to transfer funds to the ORCA Central Payments Account or by such other means approved by the Joint Board.

3.4 The ORCA Regional Program Administration Agency remits a single payment from the Central Payments Account to the RFC Contractor, Joint Consultant or Regional Service Provider, or other invoicing party within thirty (30) calendar days from the approved invoice date.

3.5 Each Agency agrees to make payments promptly, and consistent with the applicable deadlines in Section 2.2. Approved invoices are to be paid within 30 calendar days.

3.6 Notification may be given by electronic or other means as authorized by the Joint Board and as required by each Agency to comport with individual accounts payable policies and procedures.

3.7 If any of the Agencies have not made the payment on the approved invoice by the invoice due date, and no alternative funding source, such as a reserve fund which had previously been identified and approved, is available for paying the invoice, the Regional Program Administration Agency will remit the portion of the payment due to the invoicing party representing the ratio of payments for Agency invoices received to the total regionally approved invoice amount, as described immediately above. Any late fees and/or penalties due to the partial payment shall be the responsibility of the Agency(s) not making timely

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payment to the Central Payment Account (in proportion to their respective Agency invoice amounts).

3.8 The late paying Agency will be charged a late payment fee at the annual rate equal to the U.S. prime rate from the due date of payment to the Central Payment Account to the date the payment is received in the Central Payment Account. The late payment fee then becomes part of the regional asset and shall be shared by all participating Agencies based on a pre-determined formula.